

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on April 28, 2011 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

*The following **Authority Members** were in attendance:*

Maryann Kralik, Designee of the Commissioner of Banking and Insurance (via telephone); Eileen Stokley, Designee of the Commissioner of Human Services; Bill Conroy, Designee of the Commissioner of Health and Senior Services; Ulysses Lee, Public Member (via telephone); and, Suzette Rodriguez, Public Member (via telephone).

*The following **Authority staff members** were in attendance:*

Mark Hopkins, Lou George, Steve Fillebrown, Ron Marmelstein, Ruth Charbonneau, Suzanne Walton, Michael Ittleson, Brooke Liebowitz, Bill McLaughlin, Carole Conover, and Archie King.

*The following **representatives from the State and/or the public** were in attendance:*

Rubin Weiner, Deputy Attorney General; Brandon Minde, Governor's Authorities Unit (via telephone); Ryan Feeney, NJ Office of Public Finance (via telephone); Terry Cunningham, Land Title Agency, Inc.; Douglas Placa and Kristin DiShaw, JNESO.

CALL TO ORDER

Executive Director Mark Hopkins called the meeting to order at 10:00 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 27, 2010 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and the *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

Mr. Hopkins then stated that in the absence of the Authority's Chair and Vice-chair, a Chair pro tem was needed to lead the meeting. Ms. Kralik nominated Ms. Stokley to serve as Chair pro tem; Mr. Conroy seconded. The vote was unanimous and the motion carried.

1. APPROVAL OF MINUTES

March 24, 2011 Authority Meeting

Minutes from the Authority's March 24, 2011 meeting were presented for approval. Mr. Conroy offered a motion to approve the minutes; Ms. Rodriguez seconded. The vote was unanimous and the motion carried.

2. RESOLUTION DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR AND THE HIT PROJECT MANAGER TO SIGN SUB-GRANTEE AGREEMENTS

Mr. Hopkins noted to Members that the Authority's By-Laws authorize the Chairman, with the Secretary, unless otherwise provided by resolution of the Authority, to jointly execute all contracts to facilitate the objectives of the Authority and to conduct related operations. The Executive

Director, who has general supervisory and management responsibility over the Authority staff and day-to-day activities of the Authority for the management of the Authority and its programs, activities and operations, is often delegated authority pursuant to a resolution to sign certain documents on behalf of the Authority.

Mr. Hopkins further noted that the Authority secured a federal Health Information Technology grant on behalf of the State. The Grant provides for the sub-granting of part of New Jersey's grant funding to four regional Health Information Exchanges (HIEs) over four years. HIEs are coalitions of providers that have agreed to utilize the current state-of-the-art in health information exchange technology and best-practices in HIE privacy and security that conform in HIPAA, State law, and national standard-setting entities. The Authority must enter into sub-grantee agreements to ensure the requirements of the grant are met.

The Authority hired a Health Information Technology Project Manager to assume responsibility for monitoring sub-grantee compliance with the operational covenants contained in grant contract documents and federal requirements as well as the American Recovery and Reinvestment Act of 2009 (ARRA), pursuant to which the grant was created. In addition to the sub-grantee agreements there are other routine administrative documents related to the sub-grantee awards and processing of requests for disbursements that require approval by the Authority.

Mr. Hopkins concluded by asking Authority Members to consider delegating signatory authority to the Executive Director or, with the Executive Director's written authorization, the Health Information Technology Project Manager, to allow timely processing of sub-grantee agreements and administrative documentation relating to the federal Health Information Technology grant as recommended by staff. He added that processing of administrative grant documentation is subject to the Authority's enabling legislation, By-Laws, Policies and Procedures.

Ms. Stokley asked the Members' pleasure with respect to the resolution authorizing and approving delegation of signatory authority on Health Information Technology Grant administrative documents. Mr. Conroy made a motion to approve the adoption of the resolution. Ms. Kralik seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. KK-77

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the attached RESOLUTION AUTHORIZING AND APPROVING DELEGATION OF SIGNATORY AUTHORITY TO PROCESS HEALTH INFORMATION TECHNOLOGY GRANT ADMINISTRATIVE DOCUMENTS.

(attached)

Mr. Conroy asked if this resolution was introduced in anticipation of a sizable amount of documentation relating to the Health Information Technology Grant administrative documents. Mr. Hopkins replied that the four recently created regional Health Information Exchanges (HIEs) needed to submit regular reports to the Office of the National Coordinator for Health Information Technology (ONCHIT). These administrative documents related to the sub-grantee awards are processed and approved by the Authority before grant disbursements are made. Granting signatory

authority to the Authority Executive Director and the HIT Project Manager will allow these documents to be processed in a timely manner.

3. APPROVAL OF EXPENSES

Ms. Stokley referenced a summary of Authority expenses and invoices. Mr. Conroy offered a motion to approve the bills and to authorize their payment; Ms. Rodriguez seconded. The vote was unanimous and the motion was approved.

AB RESOLUTION NO. KK-78

WHEREAS, the Authority has reviewed memoranda dated April 21, 2011, summarizing all expenses incurred by the Authority in connection with FHA Mortgage Servicing, Trustee/Escrow Agent/Paying Agent fees, and general operating expenses in the amounts of \$544,468.86, \$19,660.50 and \$38,072.10 respectively, and has found such expenses to be appropriate;

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves all expenses as submitted and authorizes the execution of checks representing the payment thereof.

4. STAFF REPORTS

Ms. Stokley thanked staff for the Project Development Summary, First Quarter budget Report, Cash Flow Statement, and Legislative Advisory reports.

Mr. Hopkins reported the following to Members:

1. Authority Members and Senior Staff are required to file Financial Disclosure Statements with the State Ethics Commission by no later than May 15, 2011. Filings must be made electronically through the State Ethics Commission website. Late filers will be subject to a fine of up to \$50 per day. Authority Members are required to file the somewhat less onerous disclosure for Public Officers (not Public Employees).
2. The May 2011 meeting is the Authority's annual meeting. At the annual meeting, Authority Members are expected to elect officers and schedule the meetings for the next year. Members have received a copy of a blank slate of offices and a proposed schedule for meetings for the next year.
3. The Authority's 2005 Red Toyota Prius is in its last day of auction on GovDeals.com. The high bid is currently \$11,550. The auction ends at 7:30 p.m. today.
4. When the Authority issued Hospital Asset Transformation Bonds in the summer of 2009 for JFK Medical Center, it was contemplated that JFK may pursue an accounts receivable line of credit which would be subject to the approval of the Treasurer and an Authorized Officer of the Authority. JFK finalized negotiations with the Healthcare Finance Group for a \$27 million line of credit. Mr. Hopkins and the Treasurer approved the line of credit on April 22, 2011.

5. Moody's downgraded the State's General Obligation credit rating from Aa2 to Aa3 and its credit rating on bonds backed by the State subject to appropriation from Aa3 to A1. The latter will affect the Authority's Hospital Asset Transformation Bonds issued on behalf of St. Mary's, St. Michael's and JFK. Standard & Poor's downgraded the State's rating from AA to AA- in February. Following Moody's downgrade, Fitch affirmed the State's AA rating but revised its outlook from stable to negative.
6. Hospital News
 - a. Atlantic Health System and Newton Memorial Hospital completed their merger on March 31, 2011. AHS will now have three system hospitals including Morristown Memorial, Overlook Hospital and Newton Memorial with a total of over 1300 beds and nearly 12,000 employees. Mr. Hopkins noted that the Authority was pricing its AHS bond issuance today.
 - b. Warren Hospital announced Monday that it has entered into an agreement to join St. Luke's Hospital and Health Network. It is expected the transition will take place in the Fall following state and federal reviews. Warren will be the fifth hospital in the St. Luke's network and will take on the name St. Luke's Warren Hospital.
 - c. Last week the Hoboken Municipal Hospital Authority voted to enter into an asset purchase agreement with HUMC Holdco for the sale of Hoboken University Medical Center. HUMC Holdco is a for-profit entity formed by the same principals who bought Bayonne Medical Center in 2008. The asset purchase agreement requires HUMC Holdco to operate the facility as an acute care hospital for at least seven years and to retain at least 75% of the hospital's current employees. HUMC Holdco has also agreed to provide enough funds to pay off Hoboken Municipal Hospital Authority bonds, expected to be \$51.6 million, as well as provide approximately \$20 million in capital improvements to Hoboken University Medical Center and assume approximately \$20 million in liabilities, leases and contracts of Hoboken University Medical Center. The transaction will require Certificate of Need review by the Department of Health and Senior Services. The parties are hoping to close the transaction by July 31, 2011.
 - d. John Grywalski, CFO of St. Michael's Medical Center, has announced he is retiring. No successor has been named yet.
 - e. Virtua held a dedication ceremony for its new Virtua Voorhees hospital on April 16, 2011. Over 1,000 employees, dignitaries and invited guests attended the dedication. The Authority was represented by me, Lou George and Bernie Miller. Acting Commissioner Mary O'Dowd spoke along with GE CEO Jeff Immelt and Congressman Rob Andrews. Mr. Hopkins noted that the hospital and ceremony were both impressive.
7. Authority News
 - a. Ian Benjamin has joined the Authority staff on a temporary basis to fill in as the Administrative Assistant for the Divisions of Project Management and Research, Investor Relations and Compliance. He will be handling the duties of Tammy Romsdahl, who is out on medical leave.

- b. The Authority has been given the Authority Unit's approval to backfill the vacated positions of Accountant and Assistant Account Administrator and permanently fill the position of Communications Specialist. The positions are posted internally, on the Authority's website and on outside employment websites as well.
- c. Taryn Jauss has been promoted to Database Administrator. Taryn was hired at the Authority in 2008 as an Administrative Assistant and quickly rose to become an Accountant II. She completed her Masters in Management last year at Thomas Edison State College. Taryn also has a Bachelors in Business Administration from Rider University.
- d. Eileen Stokley recently informed the Authority that she plans to retire on June 1, 2011. The Commissioner of Human Services designated Eileen to be the permanent representative on the Authority in 2007. Mr. Hopkins praised Ms. Stokley for her service and the wisdom she brought to Authority meetings.

This concluded the Executive Director's report.

As there was no further business to be addressed, following a motion by Mr. Conroy and a second by Ms. Kralik, the Members voted unanimously to adjourn the meeting at 10:20 a.m.

I HEREBY CERTIFY THAT THE FOREGOING
IS A TRUE COPY OF MINUTES OF THE NEW
JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY MEETING HELD
APRIL 28, 2011.

Carole A. Conover, Assistant Secretary